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Dockets Facility  
U.S. Department of Transportation  
Room PL-40 1  
400 Seventh Street, SW  
Washington, DC 20590-000 1

RE: [Docket No. RSPA-99-6355; Notice 1]  
Pipeline Safety: Enhanced Safety and Environmental Protection  
for Gas Transmission and Hazardous Liquid Pipelines  
in High Consequence Areas

Duke Energy Corporation (Duke Energy), through its pipeline subsidiaries, Algonquin Energy, Inc., Texas Eastern Transmission Corp., and Maritimes & Northeast, operates an extensive interstate natural gas transmission system. This pipeline system receives natural gas from the major production areas of the Gulf Coast for transportation and sale in the Upper Midwest and Northeastern United States. The operation of this pipeline system is subject to the requirements of Title 49 Code of Federal Regulation Parts 190, 191, 192, 193, and 199.

**Background:**

On November 18, 1999, the Office of Pipeline Safety (OPS) hosted a Public Meeting (64 Fed Reg. 56570, October 20, 1999) regarding the above-referenced docket. The Interstate Natural Gas Association of America (INGAA) participated in that meeting and made a presentation of the views of its membership. The following is a summary of INGAA's recommendations:

- OPS and state pipeline safety agencies should communicate to the public their present inspection process as well as the new initiatives
- The present joint initiatives should be completed, documented and successes integrated into the regulatory structure
- A joint public safety education effort should be established

Duke Energy is a strong proponent of integrity management and has a long standing, proactive integrity management program in place. We do, however, also believe that 49CFR192, in specific, was developed on this principle and goes a long way to prescribe appropriate integrity management efforts in and of itself. Fundamentally, it is essential that the integrity benefits, unique to 49CFR192, be identified and their impact quantified. Among these unique

requirements is the fact that 49CFR192 already defines consequence areas through class designation and defines remedial efforts for those higher consequence areas.

### **Prescriptive Approach:**

We recommend that the effectiveness of these existing 49CFR192 requirements to satisfy this integrity based initiative be assessed and the gaps between the benefits derived unique to 49CFR192 and the intended objective of this initiative be clearly delineated. Once these gaps are delineated, Duke supports working with the OPS to develop a set of prescriptive requirements that can be added to the regulations to resolve those gaps - which might include, among other things, issues such as periodic inspection to confirm the effectiveness of the currently prescribed integrity maintenance efforts.

Additionally, it appears that one of the gaps already identified is that the current regulation's definition of consequence areas creates more classifications than just high consequence areas. As such, the definition of high consequence areas for gas pipelines will likely be a subset of the current class definition as provided in 49CFR192.

This prescriptive approach would result in an effective regulatory addition that builds on the strength of the current regulatory scheme without introducing overlapping or expensive and unproductive requirements and would allow operators to use the premises of the current regulations in moving forward.

### **Performance Approach:**

In addition to this prescriptive, but fundamentally essential approach, Duke Energy recommends that an alternate regulatory option be developed to comply with this initiative. This alternate path would be based on a more customized and comprehensive performance-based approach to integrity management. This performance-based approach would encompass many of the principles of the Office of Pipeline Safety's current Risk Management initiative. In this approach, many of the issues resolved in the prescriptive approach, including the definition of high consequence areas, would be incorporated. Additionally, an OPS standard would be developed defining threat issues that must be evaluated and quantified as well as the corresponding integrity management premises that must be protected by the plan's implementation.

This approach would require operators to specifically address the issues that are generically and conservatively addressed in the current regulations and would require operators to tailor unique plans to each unique situation. This response may exceed the current regulations in some areas and not in others based on the actual unique situation, its corresponding risks, and the effectiveness of the integrity management components.

This approach, albeit much more demanding on the part of both Industry and the Office of Pipeline Safety, has the potential to increase the level of pipeline safety and the effectiveness in achieving it. This approach will take longer to accomplish than the prescriptive approach due to the need to develop a standard and the time frame required for operators to develop and implement such a program. As a result, the prescriptive approach needs to be addressed first and this performance-based approach subsequently.

### **Impact:**

The cost impact of this proposal has the potential to be extraordinarily significant to both individual operators and the Industry as a whole. In an effort to minimize the cost impact and yield the safety benefits, it is essential that safety benefits provided by and unique to the current gas pipeline requirement be delineated and that all available approaches to confirm integrity be kept available to Industry. As was noted in the November public meeting, there is no “silver bullet” to resolve this issue and forcing one will result in extraordinary costs and little benefit to safety.

Additionally, the timing required to evaluate this issue, develop regulatory requirements, industry standards, and operator plans and implement those plans is significant and must be appreciated. As a result, as a minimum, we recommend a phased, multi-year deployment of any response or action to this initiative.

There are other related issues that need to be addressed to successfully build the confidence of all stakeholders regarding the integrity management efforts for pipeline safety. Among these are public education and outreach programs, as well as technology evaluations. These issues, although definitely related and imperative to the successful ultimate realization of this effort, are significant in and of themselves and require involvement of many different entities to resolve and in many cases are current endeavors by many different groups (e.g. INGAA Executive Board Pipeline Safety Initiative on Public Awareness, OPS’ Best Practices and Damage Prevention programs -just to name a few).

As a result, and in an effort to focus this initiative and succeed, it is recommended that those peripheral but related issues be uncoupled from this initiative and addressed in separate, focussed initiatives using appropriate resources and organizations tailored to resolve the issues unique to each facet of this overall pipeline safety improvement movement.

### **Conclusion:**

It is apparent that the industry already spends a significant amount of effort and money to meet the current regulatory obligations and that these requirements have been very effective as is

evidenced by the impressive safety record compiled over decades by the interstate gas pipelines. Nevertheless, we do not stand on our safety record alone, we support an effort to look for opportunities to improve the effectiveness of the safety program. As a result, we support the Office of Pipeline Safety on this initiative and welcome the opportunity to work with you on it; but, encourage a judicious and deliberate analysis of the current requirements to avoid creating an expensive and unproductive response which will not effectively accomplish that objective.

Should you have any questions or need any additional information, please do not hesitate to contact me at 713-627-6385.

Sincerely,

A handwritten signature in cursive script that reads "John W. Pepper for".

J.A. Drake, P.E.

Director; Codes, Mapping & Metallurgical Services

JAD/db